

DISPATCH		CLASSIFICATION SECRET	DISPATCH SYMBOL AND NO. 25X1A6c
INFO [REDACTED]		HEADQUARTERS FILE NO. 25X1A6a	
FROM Chief, SE		DATE	
SUBJECT ADMINISTRATIVE SE FY 1959 Allotments		RE: "43-3" — (CHECK "X" ONE)	
ACTION REQUIRED		<input type="checkbox"/> MARKED FOR INDEXING <input checked="" type="checkbox"/> NO INDEXING REQUIRED <input type="checkbox"/> INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY	
REFERENCE(S) For your information and action on paragraph 7			
A. [REDACTED] 25X1A6c		DOC 8 ORIG COMP [REDACTED] ORIG CLASS 5 JUST 22	
B. [REDACTED]		DATE 27-5-81 BY 056199 38 2 2011 AUTH: HR 18-2	

1. We appreciate your interest in the SE Division experimental allotment procedure and we hope that the following comments will clarify your question raised in reference A.

2. With respect to the advantages anticipated through a single allotment it is believed that it will be of considerable benefit to both Headquarters and field stations in eliminating the necessity of issuing separate allotments for each project or activity as well as adjustments to individual allotment accounts usually required during the year. It permits more flexibility in the use of funds and the incurring of obligations. The only fund limitation for all SE activities are the availability of funds in the single allotment and that the proposed expenditure is within the approved authorization for the project or activity. In this connection where the total expenses of a project or activity are to be incurred at your station the expenditure authorization to your station will be for the total approved amount. However, where expenses of a project or activity are also incurred at Headquarters or other field stations the amount which your station may expend under the existing approval must of necessity be limited.

3. We believe the single allotment will also permit better management of funds. With a single cumulative control on obligations it will permit SE Division to release for other use in the latter stages of a fiscal year anticipated surplus funds without fear of a red balance in any one of the numerous allotment accounts formerly carried. Heretofore for protection purposes more funds than were subsequently required were tied up in individual allotment accounts.

4. For the reasons explained in paragraph 2 above the expenditure authorization issued for a particular project or activity does represent a ceiling on obligations at your station for that particular project or activity as well as for property issued from stock and not charged as an expenditure. This is necessary since the amount approved for a given project or activity includes the cost of material whether charged as a fund expenditure or costed. However, the total fund obligation for the station must not exceed the allotment.

5. Should an expenditure authorization for a particular project or activity furnished your station prove insufficient, if the project or activity is one where the approval authority, with respect to funds, has been split with Headquarters or other field stations, Headquarters will if feasible decrease the amount retained here or furnished to other stations and increase the authorization to your station. Likewise should it appear during the year that your station will not require the total authorization given to you and funds are needed elsewhere your station's authorization would be decreased. Where the expenditure authorization issued to your station for a project proves insufficient and the authorization represents the total as approved for the project for the fiscal year, a project amendment must be obtained at Headquarters in order to increase your station's authorization. In the case of a [REDACTED] project pending renewal, expenditures may continue to be made by your station in accordance with para 7 a. notwithstanding the limitations in the expenditure authorization.

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/b. With regard to

CONTINUATION OF
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6. With regard to para 2 c. of reference 3^d Division intends to make quarterly allotments to field stations when needed. We do not plan, however, to limit your allotments strictly to a quarterly issue. As you know there will be times during the fiscal year when projects will be removed, extended or amended necessitating increased expenditures at your station. When this occurs we will review your unobligated allotment balance and, when necessary, issue a supplemental allotment to cover the increased requirements. If at any time we receive a request from you for an additional allotment which exceeds a Headquarters dispatch forwarding a supplemental allotment to you, we will naturally take that into consideration. For your information 3^d contemplates no difficulty in allotting to your station sufficient funds to meet all expenses you might incur within approved authorizations.

7. It is noted with interest, that you plan experimental work relative to establishing a field procedure for controlling and reporting costs at the field level. The cost report adopted for Headquarters use shows cumulative expenditures, cumulative cost of property issues, total cumulative costs and the limitation for each cost center with totals accumulated for all cost centers covered by each allotment. With reference to the question raised in paragraph 2 b. of [REDACTED] as to whether Headquarters proposes to establish a field procedure for controlling and reporting total cost, you are advised that Headquarters does not intend to issue a procedure at this time. Instead, as a part of the Cost Experiment for 1959 [REDACTED] develop the appropriate procedure for controlling cost consistent with the reporting requirements of Comptroller Instruction 01, which is being forwarded to you by your Headquarters office. It is also requested that the procedure developed be sent to Headquarters for review as to possible application in other areas.

8. Headquarters regrets its error in addressing reference 8 to the Chief of Base, [REDACTED]. It was intended for the Chief of Station, [REDACTED].

C/EE

12 September 1958

Distribution:

- 3 - [REDACTED]
- 1 - [REDACTED]
- 1 - [REDACTED]
- 1 - [REDACTED]
- 1 - [REDACTED]
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- 2 - SE/D&F
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- 1 - TAS
- 1 - FD
- 1 - EE
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